

HCS HB 1618 -- CREDIT REPORTS

SPONSOR: McCaherty

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Consumer Affairs by a vote of 11 to 0. Voted "Do Pass HCS" by the Select Committee on Judiciary by a vote of 9 to 0

This bill specifies that a security freeze on an individual's credit must remain in effect until the consumer requests the agency to remove the freeze in the manner specified in the bill.

An agency must place a security freeze on the credit report of an individual who is under the age of 16 at the time a request for a freeze is made if the conditions specified in the bill have been satisfied, and the freeze must remain in effect until a specified event occurs, in which case the freeze must be removed within 30 days.

The bill specifies that its provisions do not apply to the use of a consumer credit report by specified entities.

Specified entities are not required to place a security freeze on a credit report under these provisions, however any entity that is not required to place a security freeze on a credit report under these provisions is subject to any security freeze placed on a credit report by another consumer credit reporting agency from which it obtains information.

PROPONENTS: Supporters say that this is a bill addressing identity theft, credit bureaus, and how they use our information. The bill changes two major things: it allows custodians to freeze the credit of their minor children; the second change is it prohibits credit reporting agencies from charging a fee to freeze credit. Currently, that \$5 can be waived if someone has stolen a person's identity. If an individual's information has been stolen, but his or her identity has not been stolen yet, then he or she cannot get the \$5 waived. A handful of states charge nothing to get a person's credit frozen. A credit freeze essentially means no credit applications will be processed; no credit information will be released to anyone making any inquiry for the purpose of extending credit.

Testifying for the bill were Representative McCaherty; the Office Of The Missouri Attorney General; and the Missouri Children's Leadership Council.

OPPONENTS: Those who oppose the bill say that there are many things consumers can do to protect themselves, and to mitigate

identity theft issues when they arise, such as check his or her credit report annually, or subscribe to credit monitoring services. A \$5 fee is a small price to pay to ensure financial health . The credit reporting agency should not have to pay for someone else's breach of security.

Testifying against the bill was Eric J. Ellman, Consumer Data Industry Assoc.

OTHERS: Others say that they rely heavily on the credit bureaus to do credit checks in order to extend credit in their stores.

Testifying for informational purposes was David Overfeldt, Missouri Retailers Association.